

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 EB-08 TRSE-00 FEA-01 INT-05
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INFO AMEMBASSY LONDON
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USDOC FOR MEPD AND SIPS

E.O. 11652: N/A
TAGS: BENC, ENRG, NI
SUBJECT: MAJOR PROJECTS: PETROLEUM AND GAS PIPELINES

REF: A) LAGOS 3407

1. SEDCO MANAGING DIRECTOR KERNER BARRAS INFORMED PETROLOFF THAT BIDS FOR 210 KILOMETER GAS PIPELINE FROM SAPELE TO A AJAOKUTA TO FEED AJOKUTA STEEL MILL ARE DUE APRIL 14. FIVE FIRMS PREQUALIFIED FOR BIDDING ARE SEDCO-BEAN CONSTRUCTORS, WILLIAMS INTERNATIONAL, J. RAY MCDERMOTT, SNAMPROGETTI AND MONTUBI. ACCORDING TO BARRAS, THERE WERE VARIOUS INCONSISTENCIES IN FIRST SET OF BID DOCUMENTS WHICH NECESSITATED RE-BIDDING, AND THIS IS SECOND GO-ROUND.

2. CONSULTANT AND POINT OF CONTACT ON AJAOKUTA GAS LINE IS INTERNATIONAL MANAGEMENT AND ENGINEERING GROUP LIMITED (IMEG), 10 PORCHESTER GARDENS, BAYSWATER, LONDON W2 4DB,
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TELEPHONE 01-229-3444, CABLE INTERMEG LONDON W2, TELEX 263508. PROJECT MANAGER IS WILLIAM A. WHICOMBE. IMEG CHAIRMAN TOLD PETROLOFF LAST NOVEMBER HE EXPECTED MONTUBI WOULD GET AJAOKUTA JOB SINCE GAS PIPELINE WAS DESIGNED TO PARALLEL WARRI-KADUNA PETROLEUM PROJECT PIPELINE WHICH MONTUBI HAD ALREADY WON. OTHER BIDDERS WOULD FIND IT HARD IF NOT IMPOSSIBLE TO BEAT MONTUBI'S ADVANTAGE IN BEING MOBILIZED ALREADY.

HOWEVER, BARRAS SAID THAT SECOND SET OF BID DOCUMENTS STIPULATES BOTH ORIGINAL ROUTE AND AN ALTERNATE ROUTE WHICH REPRESENTS STRAIGHT LINE FROM SAPELE TO AJAOKUTA. SINCE DIRECT ROUTE SHORTER AND LESS COSTLY, BARRAS FEELS MONTUBI NO LONGER HAS CONTRACT LOCKED UP. IN FACT, SEDCO, WHICH WAS GOING TO BID WITH IMEG ON PETROLEUM PRODUCT PIPELINES BUT WAS DISQUALIFIED FOR REASONS AS YET NEVER MADE CLEAR, IS HIGHLY THOUGHT OF BY BOTH MINISTRY OF PETROLEUM RESOURCES AND PENCOL, CONSULTANT FOR PETROLEUM PIPELINES, AND COULD WELL BE CONSIDERED THE FRONT RUNNER ON GAS PIPELINE.

3. BARRAS ALSO SAID BIDS ARE DUE BY APRIL 22 FOR 65 KILOMETER 24 INCH CRUDE OIL PIPELINE FROM ESCRAVOS TERMINAL TO WARRI REFINERY. ALTHOUGH WE UNDERSTOOD THIS CONTRACT HAD BEEN AWARDED TO SNAMPROGETTI, WHICH IS ALSO CONSTRUCTING THE WARRI REFINERY, BARRAS SAID THAT SNAMPROGETTI HAD WON A CONTRACT FOR DESIGN ENGINEERING ONLY. THE CONSTRUCTION CONTRACT IS SEPARATE. CONSULTANT TO THE FMG AND POINT OF CONTACT FOR THIS PIPELINE IS BEICIP, 366 AVENUE NAPOLEON BONAPARTE, 92500 RUEIL MALMAISON, FRANCE, TELEPHONE 967-92-15, TELEX 690212F, CABLE BEFRAG. BARRAS SAID HE THOUGHT SAME COMPANIES WHO PREQUALIFIED FOR AJAOKUTA GAS LINE HAD ALSO PREQUALIFIED FOR ESCRAVOS-WARRI CRUDE PIPELINE, BUT HE WAS NOT SURE IF THERE WERE OTHER BIDDERS.

4. AMCONSUL KADUNA ECONOFF MET OFFICIAL OF HALCOR INTERNATIONAL OF HOUSTON WHO CONFIRMED THAT HALCOR HAS SUBCONTRACTED TO MONTUBI TO LAY 1,100 OF THE 1,700 KILOMETERS OF PIPELINE AWARDED TO MONTUBI (THE STRETCHES FORM KADUNA TO ZARIA AND LIMITED OFFICIAL USE

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KANO; ZARIA TO GUSAU; AND KADUNA TO JOS, GOMBE AND MAIDUGURI). HALCOR IS JOINT VENTURE BETWEEN HALLEN CONSTRUCTION COMPANY OF NEW YORK AND COREY COMPANY WHICH IS REGISTERED IN PANAMA. BARRAS OF SEDCO TOLD PETROLOFF THAT COREY IS IN FACT THE COMPANY OWNED BY FORMER SEDCO EMPLOYEES GREGORY AND COOK MENTIONED IN PARA 6 OF REFTEL.

5. BARRAS SAID SEDCO ALSO STILL DISCUSSING SUBCONTRACT ON PETROLEUM PRODUCT PIPELINE SECTIONS AWARDED TO SOVIET-IRANIAN PARTNERSHIP OF TSVETMETPROMEXPORT AND IMEG, BUT HAS NOT YET MADE ANY COMMITMENTS.

6. FOR KADUNA. APPRECIATE EXCELLENT REPORT ON PIPELINE AND HALCOR. PLEASE KEEP IN TOUCH WITH MAXWELL AND REPORT ON PROGRESS OF CONSTRUCTION. WOULD APPRECIATE YOUR OBTAINING LOCAL ADDRESS FOR HALCOR SO THEY CAN BE INCLUDED IN FORTH-COMING REVISION OF EMBASSY'S LIST OF FIRMS IN OIL AND GAS INDUSTRY IN NIGERIA.

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Message Attributes

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Sent Date: 08-Apr-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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